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MICHAEL SHARP
P O BOX 101
PORTER, TX 77365

EXAMINER	
MITTAL, KRISHAN K	

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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 09/765,985
Filing Date: January 19, 2001
Appellant(s): SHARP, MICHAEL A.

Daniel J. Krueger
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed on October 14, 2008 appealing from the Office action mailed on April 9, 2008.

(1) Real Party in Interest

A statement identifying the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

5,931,901 WOLFE ET AL. 4-1999

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

(a) **Claims 14-37 are rejected under 35 U.S.C. 103 (a) as being unpatentable over Wolfe et al., U.S. Patent No. 5,931,901.**

Claim 14: Wolfe discloses a system for distributing advertising, comprising a network server with one or more audio files available for download by visitors, wherein the audio files include an embedded audio message from a sponsor (column 2, line 60 - column 3, line 3 and column 6, line 21 - column 7, line 5) and further discloses encrypting the file so that the user "can not separate the music from the advertising copy and/or copy it for their personal use or dissemination, in violation of licensing terms" (column 6, lines 7-12). While Wolfe does not explicitly disclose that the combined file being downloaded is stored on the user device, the disclosure that the user may attempt to disseminate the file at least implies that it has been or could be stored on the user device. By discussing how the security measures can prevent the user from being able to copy and disseminate the files Wolfe is explicitly teaching that without the security procedures a user could copy and disseminate the file. Thus, the system designer is given two options: either allowing the user to copy and disseminate the file or using encryption to prevent the user from doing so. Additionally, Official Notice is taken that it was old and well known at the time of the invention that any incoming data file can be locally stored, either on the receiving device's hard drive or on any one or more types of removable storage devices, e.g. floppy disks, smart cards, tapes, CD-

ROMs, DVDs, etc. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for Wolfe to store the incoming combined data file. One would have been motivated to store the file in order to facilitate the user ordering the advertised item as discussed in Wolfe (column 6, lines 14-20).

....

Claims 15 and 16: Wolfe discloses a system as in Claim 14 above, and further discloses determining royalty fees due to the owner of the audio file based on the "play" statistics (column 5, lines 34-37).

Claims 17-19: Wolfe discloses a system as in Claim 14 above, and further discloses the sponsor of the message is someone who has paid the web site operator to embed the message into the audio file (i.e. an advertiser) and who is someone other than the web site operator or the artist/author of the audio file (column 4, lines 7-59).

Claim 20: Wolfe discloses a system as in Claim 14 above, and further discloses the web site is configured to accept uploads of audio files and sponsor messages (column 3, lines 33-46).

Claim 21: Wolfe discloses the system as in Claim 20 above, and further discloses embedding the message into the audio file before it is downloaded to the user device (column 2, line 60 - column 3, line 3).

Claim 22: Wolfe discloses a system as in Claim 14 above and further discloses the multimedia file comprises a musical composition/performance (column 2, lines 18-30 and column 4, lines 18-25).

Claim 23: Wolfe discloses a system as in Claims 8 and 14 above, but does not explicitly disclose using files in wav, MP3, or compressed formats (column 1, lines 24-27 and column 5, lines 37-41). However, Official Notice is taken that these were old and well known standard formats for data files at the time the invention was made. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to format the data file in Wolfe using any of the standard formats known at the time to include wav, MP3, or other compression formats. One would have been motivated to use such compression formats in order to reduce the amount of bandwidth needed to transmit these large audio files.

Claim 24: Wolfe discloses a method comprising:

downloading an audio file with an audible advertisement from a web site to a user's computer (column 2, line 60 - column 3, line 3 and column 6, line 21 - column 7, line 5), but does not explicitly disclose transferring the audio file to an external playing device. Official Notice is taken that it is old and well known within the computer industry that both locally stored files and incoming data stream files may be transferred to removable storage devices, such as CD-ROMs, smart cards, tape, etc. For example, users have been recording radio and television broadcasts onto audio tapes for years.

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for the user in Wolfe to save the incoming data stream onto a removable storage medium such as a disc or smart cart that may be played on an external playing device (e.g. PDA, cell phone, etc.). One would have been motivated to store the combined file onto a removable storage medium in order to allow the user to listen to the audio file at the desired time and location.

Claim 25: Wolfe discloses a method as in Claim 24 above, and further discloses that the audio file and the advertisement are delivered in an inseparable stream (column 3, line 1-3). Thus, the advertisement would inherently play each time the audio file is played.

Claim 26: Wolfe discloses a method as in Claim 25 above, and further discloses that the audio file is a song or single (column 2, lines 18-30 and column 4, lines 18-25).

Claim 27: Wolfe discloses a method as in Claim 24 above, and further discloses the sponsor of the message is someone who has paid the web site operator to embed the message into the audio file (i.e. an advertiser) and who is someone other than the web site operator or the artist/author of the audio file (column 4, lines 7-59).

Claim 28: Wolfe discloses a method as in Claim 27 above, and further discloses that the advertisement is appended to the beginning of the audio file ("leader") prior to being made available for downloading (column 6, lines 32-39).

Claim 29: Wolfe discloses a method as in Claim 24 above, but does not explicitly disclose using files in wav, MP3, or compressed formats (column 1, lines 24-27 and column 5, lines 37-41). However, Official Notice is taken that these were old and well known standard formats for data files at the time the invention was made. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to format the data file in Wolfe using any of the standard formats known at the time to include wav, MP3, or other compression formats. One would have been motivated to use such compression formats in order to reduce the amount of bandwidth needed to transmit these large audio files.

Claims 30 and 35-37: Wolfe discloses a method comprising:

a. receiving a message file having an audible message (i.e. advertisement) (Figure 1, item 26);

b. receiving licensed multimedia files (i.e. music files)(Figure 1, item 30);

c. appending the message file to the multimedia file to create a combined file (column 2, line 60 -- column 3, line3);

d. making the combined file available to users on the Internet (column 2, line 60 - column 3, line 3); and

e. transmitting the combined file to a requesting user for playback of the message with each playback of the multimedia file(column 2, line 60 - column 3, line 3).

While Wolfe does not explicitly disclose that the combined file being downloaded is stored on the user device for later playback, the disclosure that the user may attempt to disseminate the file at least implies that it has been or could be stored on the user device. By discussing how the security measures can prevent the user from being able to copy and disseminate the files Wolfe is explicitly teaching that without the security procedures a user could copy and disseminate the file. Thus, the system designer is given two options: either allowing the user to copy and disseminate the file or using encryption to prevent the user from doing so. Additionally, Official Notice is taken that it was old and well known at the time of the invention that any incoming data file can be locally stored, either on the receiving device's hard drive or on any one or more types of removable storage devices, e.g. floppy disks, smart cards, tapes, CD-ROMs, DVDs, etc. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for Wolfe to store the incoming combined data file. One would have been motivated to store the file in order to facilitate the user ordering the advertised item as discussed in Wolfe (column 6, lines 14-20).

Claim 31: Wolfe discloses a method as in Claim 30 above, and further discloses determining royalty fees due to the owner of the audio file based on the "play" statistics (column 5, lines 34-37).

Claims 32 and 33: Wolfe discloses a method as in Claim 30 above, and further discloses the message provider (advertiser) providing advertising preferences along with the message delineating the targeting criteria. While it is not explicitly disclosed that the advertising preferences would include the music genre or specific music files desired by the advertiser, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such preferences. One would have been motivated to include the identification of the music file or the genre of the music as an advertising preference in order to prevent the advertisement from being presented with music that contradicts the advertisement (e.g. playing an advertisement from General Motors with the song "Mustang Sally", since a Mustang is a Ford Motor Company product) or that goes against the values of the advertiser (e.g. US Army recruitment advertisement with an anti-war song).

Claim 34: Wolfe discloses a method as in Claim 30 above, and further discloses that the combined file may be transmitted to a second different user (i.e. inherently, the combined file may be transmitted to many other requesting users as long as they match the targeting profile). Wolfe also discusses encrypting the combined file so that the first user cannot "copy it for their personal use and dissemination" (column 6, lines 7-12). This teaches that if the file is not encrypted, then a user would be able to copy and disseminate the combined file (to a second different user).

(10) Response to Argument

The Appellant presents separate arguments for various independent and dependent claims:

A. Rejections under 35 USC 103 Over Wolfe: The Appellant argues that under the analysis framework set forth by Supreme Court in *Grahm vs. John Deere,* the claimed inventions are not obvious over the cited art.

1. **Claim 14-15, 17-23**: Independent claim 14 recites in part “having audio files available for download by website visitors”. Appellant argues that Examiner’s rejection misinterprets prior art. Specifically:

a. Appellant argues that Wolfe only discloses delivery of content using streaming technique and fails to teach delivery by download which implies storage.

Appellant traverses the Official notice that any incoming data file can be locally stored on the hard drive or removable storage.

Examiner notes as follows:

(i) independent claim 14 only recites "having audio files *available* for download by web site visitors" and does not require that the files be downloaded. Thus the Examiner did not have to cite prior art to include *downloading* and *storage* as the basis of rejection.

(ii) Wolfe addresses delivering programmed music and advertising to internet based subscribers in describing download function from web page (col. 5, lines 53-63: responsible for the distribution of one or several free programs which may be used for controlling the local PCs to play the received music and/or to interface with the CPU - which may be made available through a web page on the Internet. Such programs downloaded from the web page, which operate in conjunction with the system of the present invention, provide various functions including allowing subscribers to automatically call up the CPU **10,** automatically make music selections and the like). Therefore, downloading to local PCs is included in the cited reference, and it would have been obvious to one of ordinary skill in the art at the time of the invention for Wolfe to provide for audio files to be available for download by web site visitors and thus benefiting the advertisers as well..

b. Appellant further traverses, as improper, reasoning that storage device is implicit in teaching of security measures to prevent copying. Appellant states that while

Wolfe expressly teaches without security procedures a user could copy and disseminate file, Wolfe does not teach copying is possible in absence of security measures and use of streaming prevents copying..

Examiner notes as follows:

(i) In view of the *downloading* being taught by Wolfe (see a (ii) above) , discussion of security measures as evidence of preventing copying is unnecessary.

(ii) by discussing how the security measures can prevent the user from being able to copy and disseminate the files ,Wolfe is explicitly teaching that without the security procedures a user could copy and disseminate the file. Thus, the system designer is given two options: either allowing the user to copy and disseminate the file or using encryption to prevent the user from doing so.

(iii) independent claim 14 does not recite the term *'security'* and, therefore, any discussion of security measures or lack thereof is unnecessary.

2. Claim 16: The Appellant argues that claim 16 is patentable for at least the same reasons as claim 14, being indirectly dependent upon claim 14. Appellant further argues that, in addition, the claim further recites “the royalty is based at least in part on a number of times an audio file is downloaded”. Applicant argues: that a per-play royalty calculation is quite distinct from a pre-download royalty calculation as implied in the citation from Wolfe (col. 5, lines 34-37: determining royalty fees due to the owner of the audio file based on the ‘play statistics')

Examiner notes that Wolf further discloses messages being played a given number of times (col. 2 lines 52-54: in fact advertisers buy the right to have their messages played a given number of times).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention for Wolfe to provide for basing the royalty on number of times an audio file is downloaded so that the owner could be compensated based on actual number of times a message is played.

3. Claim 24, 27-29: independent claim 24 recites in part "downloading an audio file with an audible advertisement from a web site to a computer and further recites "transferring the audio file to an external playing device that plays the audible advertisement when playing the audio file"

a. Appellant traverses the rejection based upon citations from Wolfe and argues that Wolfe fails to teach or suggest the use of downloading from a web site.

Examiner notes that this argument is same as the argument in claim 14 above. Therefore, Examiner's response to claim 14 also applies to this claim.

b. Applicant traverses the official notice taken by Examiner that it is well known within the computer industry that both locally stored files and incoming data stream files may be transferred to removable storage devices, such as CD-roms, smart cards, tapes etc. For example, users have been recording radio and television broadcast onto audio tapes for years.

Examiner notes that Wolf further teaches interface with subscriber operating PCs or other devices capable of receiving content for audio or video production to play programmed music or audio information which is transmitted to them (col.3 lines 48-56: A CPU 10 interfaces via the Internet with subscribers operating PCs 12, 14, 16 (or other devices capable of receiving content for audio and/or video production) to play programmed music or other audio information which is transmitted to them via the internet).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention for Wolfe to provide transferring the audio file from the computer to an external playing device that plays the audible advertisement when playing the audio file so that the advertisers could benefit from the audible advertisements when subscribers play the audio files.

4. **Claims 25-26:** The Appellant argues that claim 25 is patentable for at least the same reasons as claim 24, being dependent upon claim 24. Appellant further argues that in addition, the claims recites " the external playing device plays the audible advertisement each time it plays the audio file" and argues that a high burden of proof has not been established in the rejection based on inherency argument that "inseparable stream" would inherently require that the advertisement play each time the audio file is played.

Examiner notes that Wolfe also explicitly states that when delivered, the audio generic message and the content can both be heard simultaneously (Col. 7, lines

57-61: when delivered, the audio generic message and the audio content can both be heard by the subscriber simultaneously). Examiner further notes that the core of the Wolfe invention is to provide programmed music to the general public in a manner that permits the bundling of such programmed music with advertisement copy (col.1, lines 55-58). The Examiner further notes that if Wolfe's combined stream of content and advertisements were able to be separated by the user, then it would not be an "inseparable stream", contrary to the Appellant's arguments against such inherency.

5. **Claims 30, 32-33:** Independent method claim 30 recites "appending the message file to the beginning of each of multi-licensed multimedia data files to provide combined files…. and transmitting at least one combined file to a user to store the combined file in its entirety for later playback".

Appellant, in arguing that Wolfe discloses only the delivery of program content and advertising using a streaming technique, and does not teach delivery by download, is failing to teach or suggest transmitting at least one combined file to a user to store the combined file in its entirety for later playback, presents all the same arguments as in claim 14 above, except for using the term '*later-playback technique'* in place of '*downloading technique,* but provides no additional arguments. Therefore, Examiner's response to claim 14 also applies to this claim.

Examiner further notes that since by Appellant's own assertion downloaded data is stored (pages 9 and 15), downloading of program from a web page by subscribers as provided in Wolfe (col. 5, lines 53-63: such programs downloaded

from web page) indicates that a combined file can be stored *for later playback by a user*.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention for Wolfe to provide transmitting a combined file to a user to store the combined file in its entirety for later playback so that the advertisers would continue to benefit from the audible advertisements when subscribers later play the audio files.

6. Claim 31: The Appellant argues that claim 31 is patentable for at least the same reasons as claim 30, being dependent upon claim 30. Appellant further argues that, in addition, the claim further recites " determining a royalty payment to a provider of a licensed multimedia file based at least in part on a number of downloads of combined files including the multimedia files" . Appellant presents all the same arguments as in claim 16 above but provides no additional arguments.

Therefore, Examiner's responses to claims 30 and to claim 16 also apply to this 31.

7. Claim 34: Appellant argues that that claim 34 is patentable for at least the same reasons as claim 30, being dependent upon claim 30. Appellant further argues that, in addition, claim 34 further recites "transmitting said at least one combined file to a second different user to store for later playback". Specifically, the Appellant:

a. traverses, as improper, the reasoning that " By discussing how the security measures can prevent the user from being able to copy and disseminate the files Wolfe is explicitly teaching that without the security procedure a user could copy and disseminate the file".

Examiner notes that the arguments resented by Appellant are all the same as in claim 14 above and provides no additional arguments. Therefore, Examiner's responses to claims 30 and to claim 14 also apply to claim 30.

b. argues that a high burden of proof has not been established in showing of inherency argument and argues that Wolfe does not provide any files for download by multiple users, but rather responds to individual requests by creating a "response packet" for streaming to the individual subscriber.

Examiner notes that one object of Wolfe's invention is to provide music to the general public – *more than one subscriber* (col. 1, lines 54-59), as also stated above in Examiner's response to claim 25. The issue of '*downloading'* has been addressed above in Examiner's response to claim 14. Therefore, Examiner's responses to claims 30 and to claim 25 also apply to claim 30.

8. Claim 35-36: Independent claim 35 recites "creating a combined audio file from two audio files, wherein at least one of the two audio files produces an advertising message when played; and making the combined audio files accessible for download by multiple users".

Appellant presents all the same arguments as in claims 14 and 30 and provides no additional arguments. Therefore, Examiner's responses to claims 14 and 30 also apply to claims 35 and 36.

9. Claim 37: Appellant argues that that claim 37 is patentable for at least the same reasons as claim 35, being dependent upon claim 35. Appellant further argues that, in addition, claim 37 further recites "the advertising message is played each time a user plays the combined audio file saved on the user computer".

Appellant presents all the same arguments as in claim 25 above. Therefore, Examiner's responses to claims 35 and to claim 25 also apply to claim 37.

Examiner's Note:

It is Examiner's belief that the Appellant has limited the brief to the specific citations cited from the art and has failed to recognize that the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim and that other passages and figures may apply as well.

Thus the Appellant has failed to take into consideration fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

Conclusion:

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

KM
December 30, 2008

/James W Myhre/
Supervisory Patent Examiner
Art Unit 3688

Conferees:

James Myhre /J. W. M./
Supervisory Patent Examiner, Art Unit 3688

Vincent Millin /vm/
Appeals Practice Specialist